


market share you have – whether acquired through merger or other efforts -- the more worried you are about cannibalization.

9. For that very reason, the MCI/WorldCom merger is likely to make it more difficult for Bell Atlantic to obtain wholesale capabilities. A stand-alone WorldCom that was developing advanced business features would not worry as much about cannibalization. The stand-alone MCI already had enough retail market share that it did not want to wholesale. Combine the two, and Bell Atlantic has lost a potential wholesaler who could have provided competitive discipline to Sprint.

10. Over the longer-term Bell Atlantic may well build its own in-region long distance network. But this is not a panacea that will cure the problems created for us by the WorldCom/MCI merger. First, it takes several years to develop VPN and E800 services. Second, the timing of Bell Atlantic's build has been severely affected by the FCC's ruling that RBOCs must start from scratch in building long distance networks. Where we might have been able to offer facilities-based competition rapidly and efficiently, now it will take at least a year or two.

11. To mitigate the anticompetitive effects of the WorldCom/MCI merger, I would propose the following: Require MCI/WorldCom to make available at wholesale the same services, features, functions, and network management and design capabilities, sales tools, and other support functions that MCI/WorldCom sells at retail or uses to support its own long distance customers. Such services and features should be available in a timely manner based on forward-looking incremental costs.

I hereby declare that the foregoing is true and correct to the best of my knowledge and belief.

  
Steven AuBuchon

Dated: January 5, 1998

## **APPENDIX C**



# Bell Atlantic Long Distance Pricing Proposal

Note: This proposal is conditioned upon Bell Atlantic Long Distance's obtaining authorization, under applicable federal and state laws and regulations (including the Modification of Final Judgement), to provide to third parties the interexchange services covered by this proposal and complying with the terms and conditions of such authorizations, laws, and regulations.



# **Bell Atlantic Long Distance**

## **Carrier Network Services - Intrastate**

- Both Switchless and Dedicated CNS Intrastate receive a 15% discount off tariff.
- Intrastate CNS eligible for Maximizer discount up to 20%.
- Potential discount up to 35%



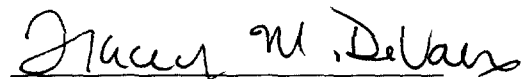
# **Bell Atlantic Long Distance**

## **Carrier Network Services Maximizer Discount**

- The maximizer discount is an incentive to market to non-MCI Customers
- Based on the percentage of MCI customer #s sold by the IXC a discount is derived.
- The maximum discount is 20%

CERTIFICATE OF SERVICE

I hereby certify that on this 5<sup>th</sup> day of January, 1998 a copy of the "Petition To Deny the Application of WorldCom or, in the Alternative, to Impose Conditions" was sent by first class mail, postage prepaid, to the parties on the attached list.

  
Tracey M. DeVaux

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